

Assembly Bill No. 1785

CHAPTER 55

An act to add Section 6523.4 to the Government Code, relating to health facilities.

[Approved by Governor June 17, 2002. Filed with
Secretary of State June 17, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1785, Reyes. Health: local agency joint powers agreements.

Existing law requires counties to provide or secure certain public health care services, and authorizes the formation of local health care districts and the establishment of municipal hospitals for the purpose of providing needed public health care services.

Existing law, the Joint Exercise of Powers Act, permits 2 or more public agencies to enter into an agreement to jointly exercise any power common to the contracting parties.

Existing law, notwithstanding this provision, authorizes a private, nonprofit hospital in the Counties of Contra Costa, Kings, San Diego, Tuolumne, and Tulare to enter into joint powers agreements with a public agency.

This bill would also authorize Selma Community Hospital, a private, nonprofit hospital in the County of Fresno, to enter into a joint powers agreement with specified public agencies.

The bill would state the finding and declaration of the Legislature that a special law is necessary and that a general law cannot be made applicable.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature in enacting this act to do all of the following:

(a) Meet the challenges of the evolving health care market and carry out the essential governmental function of making health care services available to Medi-Cal and medically indigent citizens served by health care districts, counties, and other agencies.

(b) Authorize nonprofit hospitals in the County of Fresno to do all of the following:

(1) Engage in joint planning for health care services.

(2) Allocate health care services among the different facilities operated by the hospitals.



(3) Engage in joint purchasing, joint development, and ownership of health care delivery and financing programs.

(4) Consolidate or eliminate duplicative administrative, clinical, and medical services.

(5) Engage in joint contracting and negotiations with health plans.

(6) Take cooperative actions in order to provide for the health care needs of residents of the communities they serve.

SEC. 2. Section 6523.4 is added to the Government Code, to read:

6523.4. (a) Notwithstanding any other provision of this chapter, the Selma Community Hospital, a private, nonprofit hospital in Fresno County, may enter into a joint powers agreement with one or more of the following public agencies:

(1) The Alta Hospital District.

(2) The Kingsburg Hospital District.

(3) The Sierra-Kings Hospital District.

(b) The joint powers authority created pursuant to subdivision (a) may perform only the following functions:

(1) Engage in joint planning for health care services.

(2) Allocate health care services among the different facilities operated by the hospitals.

(3) Engage in joint purchasing, joint development, and joint ownership of health care delivery and financing programs.

(4) Consolidate or eliminate duplicative administrative, clinical, and medical services.

(5) Engage in joint contracting and negotiations with health plans.

(6) Take cooperative actions in order to provide for the health care needs of the residents of the communities they serve.

(c) Nonprofit hospitals and public agencies participating in a joint powers agreement entered into pursuant to subdivision (a) shall not reduce or eliminate any emergency services, as a result of that agreement, following the creation of the joint powers authority without a public hearing by the authority. The joint powers authority shall provide public notice of the hearing to the communities served by the authority not less than 14 days prior to the hearing and the notice shall contain a description of the proposed reductions or changes.

(d) Nothing in this section shall be construed to grant any power to any nonprofit hospital that participates in an agreement authorized under this section to levy any tax or assessment. Nothing in this section shall permit any entity, other than a nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under this section.



(e) Nothing in this section shall authorize activities that corporations and other artificial legal entities are prohibited from conducting by Section 2400 of the Business and Professions Code.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the Selma Community Hospital, a private, nonprofit hospital in Fresno County, and three of the health care districts that serve residents in portions of Fresno County.

